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Tutunjian Releases 2005 Spending Plan

For Immediate Release

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(October 1, 2004- TROY)-Citing enormous increases in fixed costs Mayor Harry Tutunjian released his 2005 Budget proposal Friday morning, which included a 6.5 percent tax increase and a 5 percent water rate increase.

Based on skyrocketing fixed costs- health care, retirement, insurance, and contractual raises- Tutunjian asked all his department heads to cut 7 percent out of the budget for 2005. This followed a decision by Tutunjian to cut 3.5 percent from the 2004 budget.

“These escalating costs have forced us to tighten our belts like never before,” Tutunjian said. “I do believe that this budget enforces my campaign pledge to keep the tax burden, and these increased costs, off the backs of the taxpayers. There is a slight increase, and I do not take that lightly. However, it is the best move for the City.”

For a home with an average assessment of \$80,000, the tax rate will amount to an increase of less than \$76. The water rate increase equates to \$5 per quarter more for the average family.

As part of the cutbacks, Tutunjian eliminated several positions from his budget, including the Deputy Mayor of Constituent Relations, Treasurer, Water Maintenance Foreman and Civil Engineer. The mayor also eliminated several part time jobs and will replace them with full-time jobs in an effort to lower salaries and provide better service to the residents- particularly in the Comptroller’s Office.

The following were the costs that contributed most to the budget increase:

- Health care costs will jump an astounding 15 percent from \$7.9 million to \$9.1.
- Retirement costs in 2005 will exceed 300 percent from what they were in 2003.
- Insurance costs- vehicle, property, and liability- will climb 20 percent from \$378,200 to 455,965.
- Contractual raises remain at three percent for all of our firefighters and CSEA workers.

Despite the above increases, due to the cutbacks the budget itself will only grow two percent in 2005. The only added position is a grants writer that Tutunjian believes will help the City obtain monies it has long missed out on.

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“Clearly this was a difficult process during which many tough decisions had to be made,” Tutunjian said. “Past spending plans were described as “bare bones budget.” I was a critic, believing more could be done. This budget accomplishes that. It is an extremely conservative spending plan.”